

**Proposed Resolution for Consideration by the
CollegeCounts 529 Board of Trustees at its meeting on August 8, 2012**

WHEREAS, the Legislature created the Wallace-Folsom College Savings Investment Plan (the "Plan") pursuant to Title 16, Chapter 33C of the *Code of Alabama*, 1975, in recognition that the advancement of higher education in the State of Alabama is a proper governmental function and purpose of the State of Alabama; and

WHEREAS, the Plan consists of two programs, one of which is the Alabama College Education Savings Program, which is known and marketed as the CollegeCounts 529 Fund (the "Program"); and,

WHEREAS, pursuant to §16-33C-10(b), Code of Alabama, the ACES Trust Fund has been established within the Program for the purpose of establishing savings agreements for the sole benefit of the contributor and designated beneficiary to be used for qualified higher education costs of the designated beneficiary; and,

WHEREAS, the Board has engaged and relies on Union Bank and its investment advisor, Wilshire Associates Incorporated ("Wilshire"), for investment management services; and,

WHEREAS, in a May 31, 2012 memorandum, Wilshire indicated that Cohen and Steers Capital Management was replaced by Aristotle Management as the sub-advisor to the Harbor Large Cap Value Fund and,

WHEREAS, Wilshire recommended participant assets be transitioned immediately from the Harbor Fund to the Cohen & Steers Dividend Value I Fund based on Aristotle's short track record and investment strategy that diverges from the original, Board approved investment strategy; and

WHEREAS, the Board's investment consultant, Pension Consulting Alliance ("PCA") recommended that the Board accept Wilshire's proposal in its June 5, 2012 memorandum; and,

WHEREAS, a CollegeCounts 529 Fund Investment Committee meeting was held on June 5, 2012 to review the Wilshire and PCA recommendations and Wilshire's Manager Research Paper; and,

WHEREAS, the Investment Committee approved the transition to the Harbor Large Cap Value Fund accounts to Cohen & Steers Dividend Value 1 Fund immediately.

NOW, THEREFORE, BE IT RESOLVED, the Board ratifies the action proposed by Wilshire and PCA and taken by the Investment Committee to eliminate the Harbor Fund from the investment portfolio of the CollegeCounts Program and transition all assets within this fund to the Cohen & Steers Value 1 Fund.

Treasurer Young Boozer, Chair